

***Testimony of Mtumishi St. Julien
Executive Director, The Finance Authority of New Orleans***

***Subcommittee Joint Hearing before the House Transportation and Infrastructure
Committee Subcommittee on Economic Development, Public Buildings and Emergency
Management and Subcommittee on Water Resources and Environment***

"A Vision And Strategy For Rebuilding New Orleans"

October 18, 2005

Chairman Duncan, Chairman Schuster, distinguished Members of the Committee and my fellow panelists:

My name is Mtumishi St. Julien, I am the Executive Director of The Finance Authority of New Orleans. I want to first thank you for holding today's hearing and for inviting me to share my thoughts on the important tasks ahead.

I come to you with some education and experience in the affordable housing field. I have served as general counsel for the Housing Authority for New Orleans, the public housing authority for New Orleans. I have served on the Fannie Mae affordable housing advisory board. I have served as president of Freddie Mac's affordable housing committee and the as President of the National Association of Local Housing Finance Agencies. Since 1991, I have served as Executive Director of The Finance Authority of New Orleans, assisting thousands of families to become first time homebuyers.

I, like all citizens of New Orleans, am personally impacted by the Katrina catastrophe. I have a house that was flooded; mold is running eight feet up the walls, and I, like thousands of other citizens of New Orleans, don't know whether to renovate my home, knock it down, or even whether there is a possibility of rebuilding. Like many citizens of New Orleans, I really can't make an informed decision until the flood planes are reestablished and until the Corps of Engineers decides to rebuild the levees and water protection systems

While my family has a house to live in at this time, we are homeless. I am personally and professionally qualified to address you today.

As I look through history, there seems to be only two internal catastrophes comparable to that of Katrina -- that is the Civil War and the Great Depression. Katrina has caused as much displacement of people and destruction of assets as the Civil War and the Great Depression. And while Abraham Lincoln was criticized on the way he prosecuted the Civil War and FDR was severely criticized for his New Deal proposals, history is the measure of the quality of their judgment and leadership. This is not the time to be criticizing, laying blame or assigning fault.

Let history judge what we do. While we all might be afraid of criticism, we cannot stand by and do nothing.

Presidents Lincoln and FDR suffered similar challenges and criticisms during the catastrophes they faced. While people seek to point fingers, I hope Congress will not lose its focus.

Let us focus on the problem:

The scope of the problem in New Orleans is that at this moment, 40,000 people are still in shelters. Another 150,000 are in hotels and another 150,000 or more are staying with relatives. The city is virtually empty.

Imagine Washington, DC is devastated, except for Anacostia. That Northeast, Northwest and Southwest Washington, DC is desolate.

Imagine Congress having to work out of offices in Richmond, VA, because of environmental contamination from the sludge, mold and debris left by the storm. Imagine that the City of Washington, DC is having a problem maintaining essential workers, such as police officers, firefighters, and construction workers because it cannot find housing suitable for these workers' families.

While there are business people who have the courage and want to rebuild, they cannot supply suitable housing to encourage their employees to come back. The need for safe affordable, decent housing for these workers and their families is essential to the rebuilding of the city.

The people of Washington, DC want to return to their homes and they are asking for help to return to their homes. They have a vision of Washington, DC that can be better. They believe that it is possible to have neighborhoods without the challenges caused by concentrations of poverty. They have a vision of children from families of different incomes attending the same schools and sharing the same life experiences.

These citizens want to participate in the decision making in what the city can be. The citizens of New Orleans are asking for help, just as the people from Washington, DC, or any other city, would be asking for help to achieve their visions for their neighborhoods and their city.

I appreciate the work and challenges that Congress has in developing programs that the entire Gulf Coast needs to rebuild. We appreciate your deliberation and discussion on increasing housing tax credit authority, your deliberation and discussion on increasing the volume cap on Mortgage Revenue Bonds and your discussion on increasing CDBG and HOME funds in rebuilding this devastated area.

We also understand that local leaders have an obligation to use these resources responsibly and we are ready to be held accountable for the proper use of these resources.

We hope that in the deliberation, Congress will consider using the private sector banks as key channels of distribution rather than distributing federal aid primarily through government bureaucracies.

That's the way the HFAs, such as The Finance Authority of New Orleans and the Louisiana Housing Finance Agency, have functioned since 1978. We have been successful because of the quality working relationships we have with our local banks.

Let me repeat, the citizens of New Orleans want to come home and want to participate in the rebuilding of New Orleans. By focusing on housing, Congress will assist in the rebuilding of New Orleans. Through housing, we will create jobs for people who want to come back and participate in that process. It is estimated that building 100 units of multifamily housing generates 112 local jobs during the first year of construction and 46 jobs are sustained every year thereafter.

For weeks, the citizens of New Orleans have been reaching out for help. Help in finding their loved ones. Help to secure basic food and temporary housing. Help in trying to assess the conditions of their homes and usually, the common message that the people of the Gulf Coast have received is the standard cellular phone response: *"Sorry, all circuits are busy."*

Today, Congress has heard the ringing, and reached out to pick up the phone. You have asked me to share my views today. Please take what I, and the other panelists, have said to heart and answer our call with programs to help meet the catastrophic housing needs so that we can begin to rebuild New Orleans and the lives of our citizens.